Schedule 1.3(c)(iii)
Working Capital Adjustment
Product Inventory Valuation

PART I. Inventory Quantification Procedures.

Overview

The calculation of the value of the Inventory as of the Inventory Transfer Timing (defined below) for purposes of the adjustment of the Purchase Price pursuant to the Agreement shall be done in accordance with the procedures identified in this Part I and by application of the valuation formulae identified in Part II.

The Inventory shall measure Non-Transit Inventory (as defined below) as of 00:00:01 local time on the Closing Date (hereinafter referred to as the "Inventory Transfer Timing").

Assets Subject to Inventory

Inventory measurements will be taken at the storage tanks included in the Refinery and Elmendorf Terminal. Results of these measurements shall be referred to as the "Non-Transit Inventory". In addition, Inventory will include materials owned by Seller at Inventory Transfer Timing which are located on truck and rail vessels (hereinafter referred to as the "In Transit Inventory").

Inventory; Inclusions

For clarification, the Seller's Inventory includes, but is not limited to, hydrocarbon and hydrocarbon-derived materials such as the following:

- Crude oil (including condensate);
- Crude oil Slops;
- LPG Mix;
- Heavy Straight Run - Naphtha (HSR);
- Light Reformate;
- Heavy Reformate;
- Jet-A Fuel;
- K-1;
- JP-8;
- Low Emission Diesel;
- Residual Oil / No. 4 Fuel Oil;
- Cutback;
- AGE – 400;
- A-142;
- Mineral Spirits;
- and any other owned petroleum products, petrochemicals, derivatives or product-related additives (hereinafter collectively referred to as "Products") contained in the storage tanks, including heels.

The Products to be inventoried, their locations and their respective storage tank numbers and tank types will be identified in advance of Inventory Transfer Timing as described herein.

The term "Inventory" also includes the following:

- Products that are in the process of being received into the Non-Transit Inventory, or being delivered from the Non-Transit Inventory, at the Inventory Transfer Timing;
- In Transit Inventory (provided that the Purchaser shall only be obligated to pay the Seller for such In Transit Inventory to the extent that the Seller has already paid the supplier thereof).

Note that waste water, sludge, material in tanks that has been financially written off, slops and storm water tanks at the assets will be inventoried as of the Inventory Transfer Timing but no values will be assigned pursuant to Part II of this Schedule 1.3(c)(iii).

For purposes of this Schedule, "Inventory" specifically excludes:

- Processing unit catalyst;
- JFA-5 additive provided by United States government agencies for specialty jet fuel production;
- Processing unit fill;
- Crude inventories in-transit that have not been identified by Seller's and Purchaser's traders for deliveries as set forth above; and
- Product sold by Seller for which Seller has or will receive payment.

All calculations of Inventory shall be adjusted for wholesale exchange imbalances, if any.

Inventory Quantification Procedures

A mutually agreed upon gauging and sampling schedule by location and tank (the "Inventory Schedule") will be developed by the Purchaser, the Seller and the mutually agreed upon Petroleum Inspection Company (as defined below). The Inventory Schedule will be finalized and agreed upon prior to the Closing Date.

In determining the Inventory quantity, all volumes shall be determined on the basis of only usable and merchantable quantities, which are normally recoverable and usable in the ordinary course of business. Nonusable and nonmerchantable quantities are materials such as water, sludge and other foreign contaminants commonly referred to as sediment and water ("S&W") shall be excluded for purposes of determining the Inventory quantity as of the Inventory Transfer Timing (with respect to the Non-Transit Inventory) and as of the completion of delivery to the Facilities (with respect to any cargo of In Transit Inventory). For Crude Oil,

No. 4 Oil and Crude Slop, S&W will be determined by test methods D4006-07 (water by distillation) and D473-07 (sediment by extraction).

Independent Inspection

All gauging, temperature measuring, and sampling will be done by one or more approved inspection companies (the "Petroleum Inspection Company") mutually agreed to by the Seller and the Purchaser. Both parties shall have the right to participate in the physical inventory "taking" by observing the gauging, temperature readings, sampling, etc. Inspection and testing costs for the Petroleum Inspection Company, including, travel and incidental costs (such as bottles, bombs, seals, etc.), shall be shared on a 50/50 (i.e., 50% by the Seller and 50% by the Purchaser) basis by the parties.

Proposed testing will be performed at Seller's Refinery laboratory and witnessed by Petroleum Inspection Company and the Purchaser Representative.

Testing will be performed as indicated in Exhibit A for each feedstock and product.

Gauging/Sampling Protocol

All gauging, sampling and testing related to the determination of quality and quantity of the products in each tank shall be done in accordance with the API Manual of Petroleum Measurement Standard (latest revision), or by currently accepted industry standards or procedures. The specific standards to be used shall be determined by the parties prior to the Closing.

- Quality Guarantee:
    - Product quality will meet or exceed specifications set forth in the specification sheets attached hereto as Exhibit A.
    - Purchase price for product not meeting or exceeding said specifications will be discounted as specified in Exhibit B.

Certification of Gauging

The Petroleum Inspection Company will standardize and certify all gauging tapes and thermometers used in the transfer of all Inventory.

Acceptance and Review; Inventory Committee

The gauging and temperature correction for a tank shall be done at the agreed time by a team composed of a Petroleum Inspection Company representative and one representative each of the Purchaser and the Seller (the "Inventory Committee"). The parties shall be deemed to have accepted the accuracy of the gauging and temperature measurements of a tank as recorded by the Petroleum Inspection Company on the work form (to be mutually developed) if authorized representatives of the parties "sign-off" on the individual tank work form. Additional sampling

will be taken by a Petroleum Inspection Company upon the request of either party at the sole expense of the requesting party.

The determination of the quality of some Products must be performed utilizing special laboratory equipment. Samples of such Products shall be jointly taken as described in subsequent sections, and such test shall be conducted in a mutually acceptable laboratory. The results of the tests so run shall be binding on both parties. Costs for the laboratory shall be shared (i.e., 50% by the Seller and 50% by the Purchaser) by the parties.

All testing conducted in the Refinery laboratory is to be witnessed by a chemist employed by the agreed independent inspector. Both Purchaser and Seller may have representatives witness all testing.

Adjustments in value shall be made in accordance with the methodology set forth in Exhibit B for all products that do not meet quality specifications.

All Inventory measurements such as sampling, temperature readings, and gauging shall be resolved to the best of their abilities by the parties' representatives at the time the measurement is taken. Any disputes shall be resolved by noon the following working day (or in the case of quality disputes, promptly following receipt of test results) by the Inventory Committee by majority vote. Prior to the Closing, each party will designate an individual as its representative on the Inventory Committee.

Pre-Closing Inventory Procedures

Prior to the Inventory Transfer Timing, the Seller's personnel shall determine which storage tanks shall be active and inactive as of the Inventory Transfer Timing. The aforementioned Inventory Schedule will take into account this determination and will provide for performing the physical inventory of both active and inactive storage tanks prior to the Inventory Transfer Timing. Said Inventory Schedule will be subject to the approval of the Inventory Committee, and shall indicate the following for each storage tank to be inventoried:

- Storage tank location, tank number, and tank type;
- Status at closing (active or inactive);
- Product stored;
- Tank gauge height;
- Tank calibration (ullage or innage);
- Heels and equivalent volume;
- Cone roof tanks: distance in feet and inches from tank bottom to the top of tank's normal operating suction outlet pipe or suction box-and equivalent volume; and

- Floating roof and floating cover tanks: vertical distance in feet and inches from tank bottom to the point where the internal floating roof or cover floats (above the critical zone) and equivalent volume.

Facility Physical Inventory Procedures

Tanks with floating roofs shall contain sufficient product to fully "float" the roof above the critical zone when it is being gauged. Tanks equipped with steam coils or other means of heating product will have the heat shut off at least one (1) hour prior to gauging. Tank mixers shall be shut off at least two (2) hours prior to gauging. Temperature measurements will be obtained at the time of gauging, except as otherwise provided herein.

To the extent applicable, the Parties will cooperate to develop mutually reasonably acceptable procedures to address measurement of Product that is in the midst of delivery to the facilities as of the Inventory Transfer Timing.

Seller to guarantee that there will be no crude deliveries from 18:00 - 06:00 on the day of the closing, i.e. Buyer will not be buying any in-transit truckloads.

1. Nonmoving Tanks (Inactive Tanks):

All storage tanks that are standing with no movement in or out as of the Inventory Transfer Timing ("Inactive Tanks") may be gauged and sampled prior to the Inventory Transfer Timing in accordance with the Inventory Schedule. All valves in and out of the tank will be closed and sealed at the time of gauging. A Petroleum Inspection Company will seal the tank valves and will be responsible for recording seal numbers and checking of seals. If it is necessary to break seals to transfer oil into or out of a sealed gauged tank, prior notification and confirmation must be obtained from the inventory committee in order to keep accurate records of the proceedings.

Once measurement operations have started, no tank switching, changes or movements shall be made without notification to Purchaser, Seller, and Petroleum Inspection Company's representatives. If storage tank seals are broken, such tanks must be resealed when movement stops. Said storage tanks must then be re-gauged, re-sampled and temperature determined anew. Otherwise, it will be gauged as an Active Tank (defined below).

Inactive Tanks that are required for thermal relief of connecting pipelines will be gauged using said Inactive Tank's automatic gauge reading. The automatic gauge will be calibrated as close to the Inventory Transfer Timing as possible. The automatic gauge reading will be monitored every 10 minutes for 90 minutes before and after the transfer time to confirm that there was no movement into or out of said inactive tank. In cases where the automatic gauge readings indicate tank movement, the tank will be gauged as an Active Tank (defined below).

2. Moving Tanks (Active Tanks):

Storage tanks that must have movements in or out ("Active Tanks") during the physical inventory quantification process as of the Inventory Transfer Timing will be manually gauged during a period in which said storage tanks are temporarily inactive, as close to the Inventory Transfer Timing as possible. The physical inventory of this Tankage will be obtained using the applicable procedures prescribed herein and must coincide with the "closing" of rack meters where appropriate.

Storage tanks that will remain active during the inventory period will be measured as close to the Inventory Transfer Timing as possible. The gross inventory measurement will be compared against the tank's automatic (e.g. "Varec") gauge. The volume difference between the two measurements, in gross inches or fractions thereof, will be recorded on the tanks physical inventory worksheet.

3. Gauging Residual Tanks:

Residual fuel oil is typically difficult to gauge accurately. Innage by ullage method will be the preferred method of volume determination. Storage tank inventory shall be determined by averaging the physical measurements obtained through tank's gauging hatch using a steel gauging tape with attached bob. Multiple temperature readings will be taken on all tanks with the appropriate "high temperature" thermo probes. As mutually agreed by the Inventory Committee, several determinations will be made until an agreement in inventory levels is reached. Table D-1250-08 shall be used for volume corrections to 60°F.

Adjustments will be made for quality of storage tank heels that differs from quality of the inventoried Product as determined by the Inventory Committee.

4. Loaded tank trucks:

All product trucks loaded for sale to third parties at the Inventory Transfer Timing will be considered as an account receivable unless previously paid and will not be part of the Inventory, unless the product has not been sold. All trucks delivering crude oil purchased on an FOB basis from third parties at the Inventory Transfer Timing will be considered as an account payable unless previously paid and will not be part of the Inventory. Only trucks in transit at the Inventory Transfer Timing delivering crude oil from the Elmendorf terminal to the refinery, or vice versa, will be part of the Inventory.

5. Rail car

Rail car inventory will be measured pursuant to the bill of lading for intra-company transfers.

6. Sampling, testing and retention of the facility samples:

(a). Intermediates and heavy oil products:

A one (1) quart composite sample ("Composite Sample") of each tank which contains liquids under normal storage conditions shall be prepared by

mixing three equal volume samples ("Upper", "Middle" and "Bottom" as defined below). The "Upper" sample is to be drawn from the upper one-third of the Tankage "Working Inventory" volume, the "Middle" from the middle one-third of the Tankage "Working Inventory" volume, and the "Bottom" from the bottom one-third of the Tankage "Working Inventory" volume, where "Working Inventory" is defined below.

Dead bottom samples will be taken on all crude and heavy oil products using a zone sampler. These samples will be tested to determine any quality difference from the remainder of the tank.

(b) Light oil products:

A one (1) quart Composite Sample of the "Working Inventory" volume shall be collected from each tank that contains liquids under normal storage conditions.

Using sample containers which are substantially inert to the chemical activity of the compounds (and their contaminants) to be sampled ("Bombs"), Bomb samples shall be taken from storage tanks containing Products which have a specific gravity at 60°F equivalent to or less than that of a blend of propane plus 10% butane. Up to one half (1/2) of the samples shall be analyzed and the remainder sealed by the Petroleum Inspection Company and retained. The sealed samples shall be held for ninety (90) days, or until a mutually agreed upon disposal time, whichever occurs first. Mutual agreement shall be made in writing. All retained samples are available to either party after a three (3) day notice has been tendered to the other party of the first party's intent to break the seal and test the material.

Tests for quality of all products shall be in accordance API and ASTM standards.

Measurements:

(c) Non-pressurized storage tanks:

The following items will be measured, recorded and/or obtained for each atmospheric tank:

- Tank location, tank number and tank type;
- Date and time inventory taken;
- Product type;
- Gauge in feet and inches, and fraction thereof, of unusable height, specifying outage or innage, and equivalent volume ("Heel Inventory"), determined according to tank type as follows:

Cone roof tanks: distance in feet and inches from tank bottom to the top of tank's normal operating suction outlet pipe or suction box-and equivalent volume;

Floating roof and floating cover tanks: vertical distance in feet and inches from tank bottom to the point where the internal floating roof or cover floats (above the critical zone) and equivalent volume;

- Manual product gauge reading measure in feet and inches, and fraction thereof, specifying outage or innage, and equivalent quantity in appropriate units ("Manual Gross Tank Inventory");
- Digital temperature readings in accordance with API Chapter 7;
- Ambient Temperature per API MPMS for tank shell correction factor determination;
- Standing water level;
- Automatic product gauge reading measure in feet and inches, and fraction thereof, specifying outage or innage, and equivalent quantity in appropriate units ("Automatic Gross Tank Inventory"); and
- A Composite Sample, as defined above, shall be drawn to determine S&W, API gravity, and other properties typically obtained for the specific Product being sampled.

The Manual Gross Tank Inventory shall be compared to the Automatic Gross Tank Inventory taken at or about the same time. As previously specified, any significant difference in inventory measurements (such as sampling, temperature readings, and manual versus automatic gauges) shall be promptly resolved to the best of their abilities by Purchaser's and Seller's representatives at the time the measurement is taken. The Inventory quantity so resolved will be the Gross Tank Inventory for the specific tank and product being inventoried.

Using the appropriate table, from the coefficients of expansion and contraction, for the specific tank and product being inventoried, the "Net Standard Inventory" quantity, in appropriate units, shall be determined to 60°F, after deducting S&W from the Gross Tank Inventory.

The available Inventory is the Net Standard Inventory less the Heel Inventory.

(d) Inventory by Product:

For each Product type, the Net Standard Inventory for each tank which contains Product of that type will be summed to form the Inventory quantity for the particular Product being inventoried.

Meter Readings – Loading Racks and Pipelines

1. Inactive Systems:

Meter readings shall be obtained on all inactive metered systems (tank truck rack, rail car rack and pipeline) in advance of the Inventory Transfer Timing. The Petroleum Inspection Company will secure these systems by sealing same and inserting meter tickets in these meters to ensure that no product is moved through these systems during the physical inventory process.

The last tickets used to record product sales, incoming receipts, product shipments and other product movements will be photocopied and retained by Purchaser, Seller and the Petroleum Inspection Company.

2. Active Systems:

Meter readings shall be obtained on all active metered systems coincident with the physical inventory measurements obtained on the storage tank(s) by supplying said metered systems. New meter tickets shall be inserted at this time.

The last tickets used to record product sales or other product transactions through the meters will be photocopied and retained by Purchaser, Seller, and the Petroleum Inspection Company.

Pipelines: Pipeline line fill volumes as determined by Seller will be added to inventory totals by the mutually agreed inspection company and assumed to meet applicable specifications. These include crude oil (630 barrels) and HSR naphtha (50 barrels).

Post-Inventory Procedures

1. Both of the parties' representatives shall sign the work sheet/gauge ticket for each tank inventoried, which shall include the calculation of gross observed volume.

2. Similarly, the parties' representatives shall identify and acknowledge all closing meter readings, as well as the last rack sale, product shipment, and product receipt prior to the closing physical inventory.

3. An inspection shall be made to assure that all systems previously closed and sealed remained inactive during the physical inventory closing and that no product movements occurred through these systems.

Calculation of Final Inventory Quantity

Calculations will be made in determining the net quantity at 60°F (or the appropriate temperature base) for each Product in storage tanks by the Petroleum Inspection Company. The Petroleum Inspection Company's final calculation after review by the parties will determine the final inventory.

Any material which quality differs substantially from properties which are typical of that Product, as appropriate, will be dealt with separately between the parties.

Inventory Quantity Reports

Within fifteen (15) days of the Closing Date, the Petroleum Inspection Company shall provide the parties with a report indicating the final quantity (which shall be temperature corrected) and qualitative test results by tank of the Non-Transit Inventory.

After a five (5) day review period, during which time either Party may question the calculations and/or test results and after the applicable inventory committees have resolved all outstanding quantity and quality disputes, the adjusted quantity and quality will become the "Final Inventory Quantity Report." If practicable, the Seller shall use any such Final Inventory Quantity Report, together with the pricing formulae set forth in Part II hereof, to prepare the Closing Adjustment.

PART II. Inventory Valuation

Inventory values will be priced based on related market prices from Platt's Oilgram Price Report ("Platt's"), Chemical Market Associates ("CMAI") Aromatics Daily, Oil Price Information Service ("OPIS") LP Gas Report, the AGE Refining website, and the Shell Oil Company website, adjusted for quality and location differentials as well as transportation costs, where applicable, to reflect current refinery gate market prices. The prices and differentials for refinery gate prices are provided in Exhibit B.

Unless otherwise noted, all product inventories will price using the average of a four (4) day wrap. This will include the two days prior to close (April 19 and April 20 publications), the day of close (April 21 publication) and the first publication following close (April 25 publication).

Crude inventories will price using the average of the four publications prior to Closing (April 15, April 18, April 19 and April 20) using the methodology outlined in Exhibit B.

Exhibit A
Specification Sheets

PRODUCT SPECIFICATIONS

Product Name: HSR- Naphtha

Analysis	**ASTM Method**	**Typical Ranges**
API Gravity	D-1298	59-66
RVP	D-323	4.0-7.8
Color, Saybolt	D-156	>20
Sulfur	D2622/D7039	<0.005 wt%
Mercaptans	UOP 163	<1 PPM
Distillation, °F	D 86	
IBP		96-120
10%		165-170
50%		210-220
90%		250-280
E.P.		<350

Product Name: JET-A
(ASTM D1655)

Analysis	**ASTM Method**	**AGE Refining Specifications**		
		Min	Max	Typical
API Gravity	D 1298	47	51	47.5
Flash Point, °F	D 93	100	115	102
Sulfur, wt %	D 262/D7039	0.005	0.015	0.008
Color	D 156	+24	+30	+30
Doctor	D 4952	Neg		Neg
Corrosion, Copper	D 130	-	1	1
Freezing Point, °C	D 2386/D5972	-55	-40	-48
Water Reaction	D 1094	0	1b	1
Distillation, °F	D 86			
IBP		285-305		
10%		322-329		
50%		367-378		
90%		448-460		
E.P		<500		
Recovery		99.5		
Residue		0.5		
Loss		0.0		

Product Name: JP-8
(MIL-DTL-83133E)

Analysis	**ASTM Method**	**Typical Ranges**	
API Gravity	D 1298	46.0 – 50.0	
Flash Point, °F	D 93	100-115	
Sulfur, wt %	D 2622/D7039	0.005-0.015	
Color	D 156	+30	
Doctor	D 4952	Neg	
Corrosion, Copper	D 130	1A	
Ext. gum, mg/100 ml	D 381	<7	
Smoke point, mm	D 1322	>25	
Freezing point, °C	D 2386	/D5972	-47 to -51
Distillation, °F	D 86		
IBP		290-305	
10%		322-329	
50%		367-378	
90%		448-475	
E.P		485-515	
Recovery		99.5	
Residue		0.5	
Loss		0.0	

Product Name: K-1

Analysis	**ASTM Method**	**Typical Ranges**	
API Gravity	D 1298	47.0 – 49.0	
Flash Point, °F	D 93	100-110	
Sulfur, wt %	D 2622/D7039	0.005-0.015	
Color	D 156	+30	
Doctor	D 4952	Neg	
Corrosion, Copper	D 130	1a	
Freezing point, C	D 2386	/D5072	-47 to -51
Burn Quality, min	D 187	Pass	
Distillation, °F	D 86		
IBP		285-305	
10%		322-329	
50%		367-378	
90%		448-460	
E.P		<500	
Recovery		99.5	
Residue		0.5	
Loss		0.0	

Product Name: LPG Mix
Liquefied Petroleum Gas

Analysis	**Typical Ranges**
Methane. LV%	trace
Ethane, LV%	0-5
Propane, LV%	10-20
n-Butane, LV%	25-45
i-Butane, LV%	5-20
C5+, LV%	25-40

Hydrogen Sulfide	Sensidyne Tube	0-5 ppm
Copper Corrosion	ASTM D-1838	No. 1

Product Name: Mineral Spirits

Analysis	**ASTM Method**	**Specifications**		**Typical**
		Min	Max	
API Gravity	D 1298	48	53	51
Flash Point, °F	D 93	100	115	110
Sulfur, wt %	D 2622/D7039	0.005	0.015	0.010
Color	D 156	+24	+30	+30
Doctor	D 4952	Neg		Neg
Corrosion, Cop.	D 130	1A	1B	1A
Distillation, °F	D 86			
IBP		300	330	315
10%		315	332	325
50%		335	365	340
90%		370	390	380
E.P.		390	415	405
Recovery		97.0		99.0
Residue		0.0	1.5	1.0
Loss		0.0	1.5	0.5

Product Name: Light Reformate

Analysis	**ASTM Method**	**Typical**
API Gravity	D1298	70-75
RVP	D5191	7-10
Research Octane	D2699a	73-76
Motor Octane	D2700a	72-75
Paraffins, vol%	D5134mod	20-26
Isoparaffins, vol%	D5134mod	49-57
Olefins, vol%	D5134mod	0.25-1.0
Naphthenes, vol%	D5134mod	2-4
Aromtaics, vol%	D5134mod	9-18
C5's, vol%	D5134mod	21-24
C4's, vol%	D5134mod	0.3-1.0
C3's, vol%	D5134mod	0.001-0.015
Sulfur content, ppm	D2622/D7039	0-3.0
Chlorides, ppm	UOP 779	<1
Silicon, ppb	SGS	<100
Benzene, vol%		8-12
Toluene, vol%		1.5-4
Distillation, °F	D 86	
IBP		98-107
5%		119-125
10%		120-121
20%		128-133
30%		133-139
40%		138-144
50%		144-153
60%		151-159
70%		159-168
80%		168-179
90%		180-210
95%		195-216
E.P.		<250

Product Name: Heavy Reformate

Analysis	**ASTM Method**	**Typical**
API Gravity	D1298	34-44
RVP	D5191	0.9-1.4
Research Octane	D2699a	100-110
Motor Octane	D2700a	90-94
Road Octane		96-102
Paraffins, vol%	D 5134 mod	4-5.5
Isoparaffins, vol%	D 5134 mod	11-16
Olefins, vol%	D 5134 mod	0.1-0.75
Naphthenes, vol%	D 5134 mod	0.9-3
Aromtaics, vol%	D 5134 mod	76-83
Benzene	D 7039	0.4-1.0
Sulfur content, ppm	D 5134 mod	0-0.2
Oxygenates	D 5134 mod	Not Detected
Gums	D 381	0.1-1.0
Oxidation Stability, min	D 525	>240
Distillation, °F	D 86	
IBP		188-219
5%		216-237
10%		223-245
20%		238-246
30%		245-250
40%		252-257
50%		255-270
60%		267-271
70%		276-281
80%		289-292
90%		300-315
95%		324-328
E.P.		<375

Product Name: Residual Oil - # 4 Oil

Analysis	**ASTM Method**	**Typical Ranges**
API Gravity	D1298	25-33
Sulfur, wt%	D2622/D7039	0.15-0.40
Pour Point, °F	D 97	90-105
Ash, wt. %	D482	<0.015
BS&W		
Water by Distillation	D4006-07	
Sediment by Extraction	D473-07	
Distillation, °F	D 86	
IBP		330-510
10%		530-580
30%		680
E.P		<1100

Product Name: A-142

Analysis	**ASTM Method**	**Specifications**	
		Min	Max
API Gravity	D1298	41.5	45.5
Flash Point, °F	D 93	142	150
Sulfur, wt %	D2622/D7039	0.005	0.025
Color	D 156	+20	+30
Aromatics	D1319	10	16
Doctor	D4952	Neg	
Corrosion, Cop.	D 130	1A	1B
Kauri-Butanol	D 1133	28	33
Dist, °F	D 86		
IBP		340	360
10%		360	390
50%		410	435
90%		445	470
E.P		480	505
Recovery		99.0	
Residue		0.0	1.0
Loss		0.0	0.5

A high flash point solvent: minimum 142°F.

Product Name: AGE-400

Analysis	**ASTM Method**	**Sales Specifications**	
		Min	Max
API Gravity	D1298	40.0	45.0
Sp. Gravity	D1298	0.8017	0.8251
Lbs/gal	D1298	6.86	6.67
Sulfur, wt.	D2622/D7039	0.005	0.015
Color	D 156	+24	+30
Flash Point, °F	D 93	175	225
Aromatics, %	D1319	12	18
Corrosion	D130	1	2
KB	D1133	26	32
Distillation, °F	D 86		
IBP		400	435
10%		410	440
50%		435	465
90%		450	490
E.P.			<515
Recovery		99.0	
Residue			1.0
Loss		0.0	0.5

Product Name: AGE-395

Analysis	**ASTM Method**	**Specifications**		**Typical**
		Min	Max	
API Gravity	D 1298	43	46	45.0
Sp. Gravity	D 1298	0.8100	0.7970	0.8016
Sulfur, wt.	D 2622/D7039	0.005	0.015	0.012
Color	D 156	+16	+30	+28
Flash Point, °F	D 93	150	200	180
Freeze Point, °C	D 2386/D5972	-47	-30	-32
Viscosity, 40°C	D 445	1.0	1.9	1.5
Distillation, °F	D 86			
IBP		385	400	385
10%		395	401	401
50%		415	440	425
90%		440	475	465
E.P.			<500	475
Recovery		99.0		99.0
Residue			1.0	1.0
Loss		0.0	0.5	0.0

Product Name: Low Emission Diesel*

Analysis	**ASTM Method**	**Specifications**	
		Min	Max
API Gravity	D1298	37	42
Flash Point, °F	D 93	126	155
Viscosity @ 104 °F	D 445	1.9	4.1
Sulfur, ppm	D 2622/D7039	300	500
Cetane number	D 613	58	64
Cetane Index	D 976	51	55
Distillation, °F	D 86		
IBP		330	410
10%		415	485
50%		510	Report
90%		600	640
E.P		Report	

* This product conforms to an alternative diesel fuel formulation approved under 30 TAC 114.312(f) and may be used as a fuel for diesel engines in any county requiring the use of low emission diesel fuel.

Product Name: Cutback

Analysis	**ASTM Method**	**Typical Ranges**
API Gravity	D1298	50-55
Color	D 93	+30
Dist., °F	D 86	
IBP		220-260
10%		250-275
50%		260-285
90%		330-380
E.P		<425
Recovery		97-99.5
Residue		0.5-1.5
Loss		0.5-1.5

Product Name: Crude Oil & Crude Slops

Analysis	**ASTM Method**	**Typical Ranges**
API Gravity	D1298	40-52 API
Sulfur	D-2622	0.2wt% maximum
BS&W		1.0 % maximum
Water by Distillation	D4—6-07	1.0% maximum
Sediment by Extraction	D473-07	0.5% maximum
Dist., °F	D 86	
IBP		Report
10%		Report
50%		Report
90%		Report
E.P		Report
Recovery		Report
Residue		Report
Loss		Report

Product Name: ULSD

Analysis	**ASTM Method**	**Specifications**	
		Min	Max
API Gravity	D1298	30	42
Flash Point, °F	D 93	130	155
Sulfur, ppm	D 2622/D7039		< 13 ppm
Distillation, °F	D 86		
IBP		330	410
10%		415	485
50%		510	Report
90%		600	640
E.P		Report	

Exhibit B

Inventory Valuation

Crude Oil and Condensate

Crude Oil and Condensate between 40.0 degrees API Gravity and 60.0 degrees API Gravity, inclusive, will be priced as the sum of the following values:

- Shell Oil Company WTI Posting for the pricing period (April 15, April 18, April 19 and April 20, 2011),
- Platt's Posting-Plus WTI averaged for all published days starting February 26, 2011 and ending March 25, 2011, inclusive, and
- A premium of $0.697 per barrel for volumes in refinery crude oil tanks and a premium of $0.250 per barrel for volumes in Elmendorf crude oil tanks.

For Crude Oil and Condensate less than 40.0 degree API Gravity, a discount of $0.03 per barrel will be applied for each 0.1 degree below 40.0 degree API Gravity.

For Crude Oil and Condensate more than 60.0 degree API Gravity, a discount of $0.03 per barrel will be applied for each 0.1 degree above 60.0 degree API Gravity.

An additional $3.00 per barrel discount will be applied to all volumes for the Heel Inventory as defined herein to account for tank cleaning expense. However, if the Heel inventory is based on a floating roof that cannot be lowered within three feet of the tank floor, no deduction will be applied for volumes exceeding three feet above the tank floor.

Products and Intermediates

LPG will be priced at OPIS Mont Belvieu non-TET average prices based on liquid volume analysis of components as determined by gas chromatography. Prompt current month averages for the four day pricing period will be used for the following components:

- Purity Ethane price will be used for ethane and ethylene;
- Propane price will be used for propane and propylene;
- Normal butane price will be used for normal butane and normal butylenes;
- Isobutane price will be used for isobutane and isobutylene;
- Natural Gasoline price will be used for all pentane and heavier hydrocarbons;

- No value will be given to methane, hydrogen and inert gases.

The entire stream will be further discounted 20.00 cents per gallon.

Light reformate will be priced based on liquid fraction of benzene and non-benzene content determined by gas chromatography. The benzene fraction price basis will the United States mean spot benzene price for April in the weekly CMAI Aromatics Market Report, using the first publication date after the closing date. The non-benzene fraction price basis will be the mean U.S. Gulf Coast price for pipeline 87 octane gasoline as published by Platt's, using the four day average pricing window described herein, less a discount of 43 cents per gallon. The entire stream will be further discounted 10.7 cents per gallon to cover transportation cost.

Ultra-low Sulfur Diesel ("ULSD") will be priced at the lower of the AGE refinery posted price and the OPIS low rack ULSD price. In this case, the average pricing for the four days prior to close (April 15, April 18, April 19 and April 20, 2011) will be used.

All other products will be priced at Platt's prices, with location/quality differentials and transportation costs as follows:

- Heavy reformate will be priced at the mean U.S. Gulf Coast price for pipeline 87 octane gasoline as published by Platt's, using the four day average pricing window described herein, plus a premium of 31.3 cents per gallon (based on a quality differential of 42.0 cents per gallon less a transportation cost of 10.7 cents per gallon).

- Heavy Straight Run Naphtha ("HSR") will be priced at the mean U.S. Gulf Coast price for 40 N+A Naphtha as published by Platt's, using the four day average pricing window described herein, less a discount of 18.1 cents per gallon (based on a quality differential of 13.5 cents per gallon and a transportation cost of 4.6 cents per gallon). This will include "Cutback" as well as material in tanks storing No.2 Tops No. 5 tops and No.6 tops, provided the respective samples meet HSR specifications.

- Commercial Jet Fuel will be priced at the mean U.S. Gulf Coast price for pipeline Grade 54 Jet Fuel as published by Platt's, using the four day average pricing window described herein, less a discount of 3.8 cents per gallon (based on a location premium of 2.0 cents per gallon less a transportation cost of 5.8 cents per gallon).

- JP-8 military jet fuel will be priced at the mean U.S. Gulf Coast price for pipeline Grade 54 Jet Fuel as published by Platt's, using the four day average pricing window described herein, plus a premium of 13.22 cents per gallon. This will include the tank used for storing No.6 Tower bottoms and the AAU Charge tank, assuming the respective samples meet JP-8 specifications excluding required additives.

- JPTS military jet fuel will be priced at the mean U.S. Gulf Coast price for pipeline Grade 54 Jet Fuel as published by Platt's, using the four day average pricing window described herein, plus a premium of 100.9 cents per gallon. This will include inventories in No.3 Tower tops and in No.1 Tower tops, provided that a mixture of samples (75% No.3 Tower tops and 25% No.1 Tower tops) meets JPTS specifications excluding required additives.

- All products that meet any solvent specification (Mineral Spirits, A-142, AGE 395, AGE 400, K-1) will be priced at the mean U.S. Gulf Coast price for pipeline Grade 54 Jet Fuel as published by Platt's, using the four day average pricing window described herein, plus a premium of 20.0 cents per gallon.

- Finished distillate meeting ULSD specifications but with a sulfur content exceeding 15 weight parts per million ("wppm"), including tank(s) used to store Distillate Hydrotreater feedstock, will be priced at a discount of $0.75 per barrel to the above price for ULSD.

- No. 4 Fuel Oil will be priced at the low U.S. Gulf Coast price for waterborne low sulfur Vacuum Gas Oil ("VGO") as published by Platt's, using the four day average pricing window described herein, less a discount of 16.0 cents per gallon (based on a quality discount of 11.9 cents per gallon and a transportation cost of 4.1 cent per gallon).

- Process chemicals, product additives, fresh caustic and heat transfer fluids will be priced based on the invoice price for the most recent purchase. This excludes JFA-5 additive supplied by a U.S. government agency for production of JFTS jet fuel.

- No value will be assigned to stormwater, wastewater, and spent caustic inventories.

- Crude slop and other products not identified above will be priced at the low U.S. Gulf Coast price for waterborne 1% sulfur No. 6 Fuel Oil as published by Platt's, using the four day average pricing window described herein.

Volumes in finished product tanks not meeting finished product specifications as provided in Exhibit A will be discounted $0.75 per barrel for reprocessing cost.

An additional $3.00 per barrel discount will be applied to all volumes for the Heel Inventory as defined herein to account for tank cleaning expense. However, if the Heel inventory is based on a floating roof that cannot be lowered within three feet of the tank floor, no deduction will be applied for volumes exceeding three feet above the tank floor.